

United States Bankruptcy Court
District of Arizona

In re:
MARTIN EDWARD HUSSAK
Debtor

Case No. 14-09856-BMW
Chapter 7

CERTIFICATE OF NOTICE

District/off: 0970-4

User: estrellam
Form ID: pdf001

Page 1 of 2
Total Noticed: 47

Date Rcvd: Jan 19, 2018

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jan 21, 2018.

db +MARTIN EDWARD HUSSAK, 10313 S EPPERSON LANE, TUCSON, AZ 85756-9225
cr +ARIZONA DEPARTMENT OF REVENUE, c/o April J. Theis, Arizona Attorney General's Office,
2005 North Central Avenue, Phoenix, AZ 85004-1546
cr +ROY J JOHNSON, c/o Jody A. Corrales. Esq., Gust Rosenfeld, P.L.C.,
One S. Church Ave., #1900, Tucson, AZ 85701, (85701-1627
cr +UNITED STATES OF AMERICA, 405 W CONGRESS ST STE 4800, TUCSON, AZ 85701-5040
13039451 +ARIZONA DEPARTMENT OF REVENUE, C/O ARIZONA ATTORNEY GENERAL, 1275 W. WASHINGTON AVE,
PHOENIX, AZ 85007-2926
13039453 ++ARROYO COLORADO LLC, 4402 E BRYN MAWR ROAD, TUCSON AZ 85711-2931
(address filed with court: Arroyo Colorado, LLC, 2251 E. Grant, Tucson AZ 85719-3414)
13039492 +AZ City Sanitation, 13350 S Sunland Gin Rd #1a, Arizona City, AZ 85123
13039454 Casa Grande Jewelry & Pawn, 1325 N. Pinal Ave, Casa Grande AZ 85122
13039456 David & Gypsy Lyle Family Rev. Trust, 380 E. Ft. Lowell #246C, Tucson AZ 85705-5234
13039458 Douglas J. Drury, Esq., Mueller & Drury, 8110 E. Cactus Rd #100, Scottsdale AZ 85260-5210
13039459 Elias Gomez, 1320 E. Laurel Pl., Casa Grande AZ 85122-1393
13039460 Glenn Johnson, Esq., Pinal County Attorney's office, PO Box 887, Florence AZ 85132-3018
13039461 Great Western Bank, 1300 E. Florence Blvd, Casa Grande, AZ 85122-5383
13039462 +JAMES R. VAUGHAN PC, 11445 E. VIA LINDA, STE 2-610, SCOTTSDALE AZ 85259-2827
13039477 ++LAW OFFICE OF JAMES R VAUGHAN, 11445 E VIA LINDA, SUITE 2-610, SCOTTSDALE AZ 85259-2827
(address filed with court: LAW OFFICE OF JAMES R VAUGHAN, 11445 E VIA LINDA, SUITE 2-610,
SCOTTSDALE AZ 85259-2655)
13039463 #Medical-Catalina Radiology PFC, Emerald AR Systems, 1850 N. Central Avenue STE 1010,
Phoenix, AZ 85004-3948
13039464 Mel Clayton Ford, c/o Marvin J. Schenk, 3877 N. 7th St STE 280, Phoenix AZ 85014-5074
13039465 Mel Clayton Ford, Inc., 15111 N. HAYDEN RD. STE 160-365, Scottsdale AZ 85260-2581
13039466 Merles Auto Supply, 1485 E Florence Blvd,, Casa Grande, AZ 85122-4797
13039467 Merles Auto Supply, 4015 S. Dodge Blvd., Tucson, AZ 85714-2191
13039468 Michael Urman, 2525 E. Broadway STE 200, Tucson AZ 85716-5350
13039470 Napa Auto Parts, 451 S Sunshine Blvd, Eloy, AZ 85131-2435
13039471 Nicole France Stanton, Esq., Brian K. Partridge, Esq., 1 S. Church, Tucson AZ 85701-1612
13039472 Oro Valley Courts, 11000 N La Canada Drive,, Oro Valley, AZ 85737-7015
13039473 PINAL COUNTY TREASURER, C/O Dolores 'Dodie' J. Doolitt, POB 729, Florence AZ 85132-3014
13039476 RJF FINANCIAL, LLC., 5501 N. 7TH AVENUE #321, Phoenix AZ 85013-1756
13053786 +ROY J JOHNSON, c/o Jody A. Corrales. Esq., Gust Rosenfeld, P.L.C.,
One S. Church Ave., #1900, Tucson, AZ 85701-1627
13039478 Robert S. Watson, c/o Davis, Miles, McGuire Gardner, 80 E. Rio Salado Pkwy STE 401,
Tempe AZ 85281-9105
13039479 Ron Prescott, 1262 N Mesquite, Coolidge AZ 85128-3103
13039481 Roy Jonhson, Bess L. Nerrings, c/o FNF SERVICING INC, P.O. BOX 60512,
CITY INDUSTRY CA 91716-0512
13039483 Security Title Agency, Default Services Division, 3636 N. Central Third Floor,
Phoenix AZ 85012
13039486 State of Arizona, Attorney General, 1275 W. Washington, Phoenix AZ 85007-2997
13039487 Tammy McCullough, 4130 N. Catalina Dr., Eloy AZ 85131-1503
13039488 U.S. Customs & Border Protection, US Dept Homeland Security Revenue Divisi,
Debt Management Branch, 6650 Telecom Drive, STE 100, Indianapolis, Indiana 46278-2010
14175180 +United States of America, U.S. Attorney's Office, District of Arizona FLU,
405 W Congress, Suite 4900, Tucson AZ 85701-5041
13039489 Verizon Wireless, BK ADMIN OFFICE, 500 Technology Drive STE 500,
Weldon, Springs, MO 63304-2225
13039490 Verizon Wireless, PO Box 9622, Mission Hills, CA 91346-9622
13039491 Wells Fargo Bank, 1276 E. Florence Blvd, Casa Grande, AZ 85122-4266

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

13039450 E-mail/Text: bankruptcy@aps.com Jan 20 2018 00:50:20 APS, P.O. Box 2906,
Phoenix, AZ 85062-2906
13140962 E-mail/PDF: EBN_AIS@AMERICANINFOSOURCE.COM Jan 20 2018 00:52:22
American InfoSource LP as agent for, Verizon, PO Box 248838,
Oklahoma City, OK 73124-8838
13094853 +E-mail/Text: bnc@atlasacq.com Jan 20 2018 00:49:39 Atlas Acquisitions LLC, 294 Union St.,
Hackensack, NJ 07601-4303
13039455 E-mail/Text: bmg.bankruptcy@centurylink.com Jan 20 2018 00:50:28 Century Link,
PO Box 29040, Phoenix, AZ 85038-9040
14174762 E-mail/PDF: PRA_BK2_CASE_UPDATE@portfoliorecovery.com Jan 20 2018 00:52:04
Portfolio Recovery Associates, LLC, POB 12914, Norfolk VA 23541
13039474 E-mail/Text: csidl@sbcglobal.net Jan 20 2018 00:50:44 Premier Bankcard/ Charter,
P.O. Box 2208, Vacaville, CA 95696-8208
13039475 E-mail/Text: bankruptcy_notifications@ccsusa.com Jan 20 2018 00:51:11
Progressive Insurance Company, Credit Collection Services, PO Box 9134,
Needham, MA 02494-9134
13039482 E-mail/PDF: cbp@onemainfinancial.com Jan 20 2018 00:51:48 SPRINGLEAF FINANCIAL SERVICES,
P O BOX 3251, EVANSVILLE IN 47731-3251
13039485 E-mail/Text: appebnmailbox@sprint.com Jan 20 2018 00:50:14 SPRINT NEXTEL CORRESPONDENCE,
ATTN BANKRUPTCY DEPT, PO BOX 7949, OVERLAND PARK KS 66207-0949

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center (continued)

TOTAL: 9

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***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
intp      Alan R. Solot
cr         Springleaf Home Equity, I nc.
13039452   American General Financial Services, 1664 E. Florence Blvd STE 8, AZ 85222-4777
13039469   NAPA TRACS
13039480   Roy Johnson, Bess L. Nerrings
13039484*  ++SPRINGLEAF FINANCIAL SERVICES, P O BOX 3251, EVANSVILLE IN 47731-3251
           (address filed with court: SPRINGLEAF FINANCIAL SERVICES, P O BOX 3251,
           EVANSVILLE IN 47731-3251)
13039457   ##David Butler, Sherri Butler, 857 E. Stonewood Dr, Casa Grande AZ 85122-1758
                                           TOTALS: 5, * 1, ## 1

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Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

Addresses marked '++' were redirected to the recipient's preferred mailing address pursuant to 11 U.S.C. 342(f)/Fed.R.Bank.PR.2002(g)(4).

Addresses marked '#' were identified by the USPS National Change of Address system as requiring an update. While the notice was still deliverable, the notice recipient was advised to update its address with the court immediately.

Addresses marked '##' were identified by the USPS National Change of Address system as undeliverable. Notices will no longer be delivered by the USPS to these addresses; therefore, they have been bypassed. The debtor's attorney or pro se debtor was advised that the specified notice was undeliverable.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 21, 2018

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on January 18, 2018 at the address(es) listed below:

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ADAM 1 NACH on behalf of Trustee TRUDY A. NOWAK adam.nach@azbar.org, adam.nach@azbar.org,
tturner@lane-nach.com,sheila.rochin@lane-nach.com,danica.kolb@lane-nach.com,
deborah.mckernan@lane-nach.com
ADAM B. NACH on behalf of Trustee TRUDY A. NOWAK adam.nach@azbar.org,danica.kolb@lane-nach.com,
deborah.mckernan@lane-nach.com
APRIL J. VILLARREAL THEIS on behalf of Creditor ARIZONA DEPARTMENT OF REVENUE
april.theis@azag.gov, hua.qin@azag.gov,BankruptcyUnit@azag.gov,michelle.schlosser@azag.gov
DENISE ANN FAULK on behalf of Creditor UNITED STATES OF AMERICA denise.faulk@usdoj.gov,
lisa.startup@usdoj.gov,pamela.vavra@usdoj.gov
DOUGLAS V. DRURY on behalf of Creditor Springleaf Home Equity, I nc. lawdvd@aol.com
JANET HONG LINTON on behalf of Interested Party Alan R. Solot jlinton@udallllaw.com
JODY A. CORRALES on behalf of Creditor ROY J JOHNSON jcorrales@dmyl.com
PAUL M. HILKERT on behalf of Trustee TRUDY A. NOWAK paul.hilkert@lane-nach.com,
danica.kolb@lane-nach.com,Deborah.McKernan@lane-nach.com
TRUDY 1 NOWAK on behalf of Trustee TRUDY A. NOWAK trustee@tanowak.com, dkw@tanowak.com
TRUDY A. NOWAK trustee@tanowak.com,TAN@Trustesolutions.net,dkw@tanowak.com,amiller@bklaws.com
U.S. TRUSTEE USTPRegion14.PX.ECF@USDOJ.GOV

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TOTAL: 11

1 Adam B. Nach – 013622
2 Paul M. Hilkert – 028934
3 **LANE & NACH, P.C.**
4 2001 East Campbell Avenue, Suite 103
5 Phoenix, Arizona 85016
6 Telephone No.: (602) 258-6000
7 Facsimile No.: (602) 258-6003
8 Email: adam.nach@lane-nach.com
9 Email: paul.hilkert@lane-nach.com

10 *Attorneys for Trudy A. Nowak, Trustee*

11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF ARIZONA**

13 In re:

(Chapter 7 Case)

No. 4:14-bk-09856-BMW

14 MARTIN EDWARD HUSSAK,

NOTICE OF TRUSTEE'S AMENDED
STIPULATED APPLICATION TO
COMPROMISE CLAIM [F.R.B.P. 9019]

15 Debtor.

16 TO: CREDITORS AND PARTIES-IN-INTEREST:

17 Notice is hereby given that Trudy A. Nowak, Chapter 7 Trustee ("**Trustee**"), has filed an Amended Stipulated Application to Compromise Claim ("**Stipulated Application**"), a complete copy of which is on file with the Clerk of the Court and available for inspection.

18 Prior to the petition date, Martin Edward Hussak ("**Debtor**") had a cause of action for attorney malpractice against his former counsel, Alan Solot, arising from his representation of Debtor in a prior bankruptcy case and the present case. In 2012, the Arizona Department of Transportation filed an eminent domain case in Pinal County Superior Court to take Debtor's property located in Picacho, Arizona. Debtor hired attorney Lawrence Schubart to represent him in that case. Mr. Solot filed Chapter 13 bankruptcy on behalf of Mr. Hussak on January 21, 2013 (the "**Original Chapter 13**"). Mr. Hussak alleges that Mr. Solot failed to get Mr. Schubart appointed as special counsel in the bankruptcy case in order to handle the pending eminent domain case, despite months of requests by Schubart.

23 Mr. Hussak alleges that Mr. Solot failed to represent him in a reasonable and prudent manner and failed to communicate with him sufficient care and diligence in the Original Chapter 13 bankruptcy case ultimately was dismissed on March 19, 2014 as a result of the failure to get a Plan of Reorganization timely approved. As a result of Mr. Solot's alleged failure to respond, alleged failure to get Mr. Schubart approved as special counsel, alleged failure to communicate and alleged failure to protect the Debtor's interests, Mr. Schubart withdrew in the eminent domain case in April 2014. As a result of Solot's alleged malpractice, Debtor was left without counsel and was allegedly unable to defend the eminent domain case and to protect the potential recovery sought therein.

28 Lane & Nach, P.C.
2001 East Campbell Avenue, Suite 103
Phoenix, AZ 85016

1 The current bankruptcy case was filed as a Chapter 13 on June 26, 2014. Mr. Hussak claims that
2 Mr. Solot's alleged negligence ultimately led to the State prevailing on an unopposed summary judgment
3 on July 17, 2014, depriving him of further compensation sought in the Pinal County eminent domain case.
Mr. Hussak was in prison at the time.

4 Alan Solot was disciplined by the State Bar of Arizona by Order dated October 15, 2015 (the
5 "**Order**"), as a result of a complaint filed by Mr. Hussak relating to the handling of his bankruptcy cases,
6 including but not limited to the alleged loss of the eminent domain case. The Order details the facts set
forth in the Stipulated Application that correspond to the directly related malpractice claim.

7 Without participation or knowledge of the Trustee, Mr. Hussak hired counsel and made a demand
8 to Mr. Solot on the claim for malpractice relating to the above-referenced conduct. The Trustee became
9 aware of the claim and of a tentative settlement between Mr. Hussak and Mr. Solot when the parties
requested that the Trustee acknowledge an alleged lack of interest in the claim on the part of the
bankruptcy estate.

10 Trustee entered into a tolling agreement with Mr. Solot relating to the malpractice claim in order to
11 investigate the ownership issue, and has determined that the claim is the asset of the Chapter 7 bankruptcy
12 estate. The parties wish to settle the claim.

13 Hussak has filed a one paragraph Complaint *pro per* in Pima County Superior Court, Case No.
14 C20163645, against Mr. Solot and "the Law Office of Alan Solot" alleging malpractice by Solot in 2013
in the bankruptcy matters and seeking unspecified damages. More recently, Hussak filed an Amended
15 Complaint.

16 The United States of America has filed a Proof of Claim in the amount of \$303,345.00, as a
17 secured creditor based upon a Judgment for restitution in a criminal case CR 11-01754-001-TUC-CKJ,
and the U.S. Customs & Border Protection has also filed a Proof of Claim in the amount of \$303,745.00 as
an unsecured creditor. See Proof of Claim Nos. 5 and 10.

18 Trustee has received an offer to settle all of the estate's interest in the malpractice claim with Mr.
19 Solot for a total of \$25,000.00 ("**Settlement Amount**"), including but not limited to any claims which
20 arose against Mr. Solot prior to the commencement of this case and any claims against Mr. Solot which
21 arose from the Original Chapter 13 case, subject to bankruptcy court approval, which Settlement Amount
22 is close to the same amount as the tentative settlement previously reached between Mr. Hussak and Mr.
23 Solot. Trustee believes the settlement is fair and is a prudent compromise, given the nature and amount of
the claim, the potential defenses, the complexity and difficulty of proving damages and causation, the
inability to pay a larger sum, and the posture involving Debtor's hostility and potential lack of
cooperation.

24 Additionally, in order to resolve the United States of America's claim that its lien attaches to the
25 proceeds from the settlement of the malpractice claim as set forth in the Stipulated Application, the United
State of America and the Trustee agree that the Settlement Amount, shall be distributed as follows:

- 26 a. First, payment in full of all administrative claims/expenses of the bankruptcy estate,
27 including but not limited to Trustee's fees and costs and Trustee's attorneys' fees and
28 costs;

Lane & Nach, P.C.
2001 East Campbell Avenue, Suite 103
Phoenix, AZ 85016

- 1 b. Second, the payment of \$3,500.00 to the allowed non-administrative unsecured
2 creditor claims, excluding any unsecured claim of the United States of America¹; and
3 c. Third, the remaining balance of the Settlement Amount shall be distributed to the
4 United States of America.

5 Any person opposing same shall file a written objection, together with a notice of hearing, on or
6 before twenty-one (21) days of the date of this mailing as follows: United States Bankruptcy Court, as
7 follows: (a) mail or hand-delivery to 38 South Scott Avenue, Suite 100, Tucson, Arizona, 85701; or (b)
8 electronically at the Court's website: ecf.azb.uscourts.gov using the Court's electronic filing procedures,
9 with a copy to: Lane & Nach, P.C., 2001 E. Campbell Ave., Ste. 103, Phoenix, AZ 85016.

10 **Objections should be supported by specific facts.** If a party in interest timely objects in writing
11 and requests a hearing, the matter will be placed on the calendar to be heard by a United States
12 Bankruptcy Judge. If there is no timely written objection and request for hearing filed, no hearing will be
13 held and the Court will sign an Order without further notice to you.

14 DATED: January 18, 2018

15 **LANE & NACH, P.C.**

16 By: /s/ Adam B. Nach – 013622
17 Adam B. Nach
18 Paul M. Hilkert
19 Attorneys for Trustee

20 Copy of the foregoing delivered
21 via 1st Class Mail to the following on the
22 18th day of January, 2018:

23 Martin Edward Hussak
24 10313 S. Epperson Lane
25 Tucson, AZ 85756
26 Debtor

27 Denise Ann Faulk
28 Assistant United States Attorney
United States Attorney's Office
405 West Congress, Suite 4800
Tucson, AZ 85701-5040

¹ In the event that allowable non-administrative unsecured creditor claims total less than \$3,500.00, the non-administrative unsecured creditor claims shall be paid in full, with any funds remaining thereafter to be distributed to the United States of America.

1 Copy of the foregoing delivered
2 via electronic notification to the following
on the 18th day of January, 2018:

3 Janet Linton
4 Udall Law Firm, LLP
2 4801 E. Broadway Blvd., Suite 400
Tucson, Arizona 85711-3638
5 linton@udalllaw.com

6 By /s/ Debbie McKernan

28 Lane & Nach, P.C.
2001 East Campbell Avenue, Suite 103
Phoenix, AZ 85016